'Worst behind' Western Lumber

(Continued from page 7)
and Oceanside, Calif.

Tough economic times in Southern California and the lack of residential construction were the main reasons the company closed yards and laid off several employees, Lavoy said.

In November and December 1991, Western made what will probably be the last of its cutbacks when it let go another 30 people, he said. The company is now down to about 215 employees.

Looking back at his years at Western, Lavoy said the worst is behind the troubled chain: "We have downsized so significantly and restructured. The damage is over."

Business is still way down at the company's two retail yards, but the wholesale operation is doing much better this year than last, he said.

McMahan said he is also optimistic that 1992 will be a much better year for Western. "We're in there fighting," he said.

Co-op selects L. G. Cook program

(Continued from page 4)
L. G. Cook is a member of Distribution America, which licenses the Golden Rule merchandising and store design program.

Stroburg said the cooperative looked at a number of merchandising programs aimed at new lumberyards but selected Golden Rule because "it was not as restrictive" as others.

Pahssen and Stroburg noted that L. G. Cook had been Hamilton's main supplier for years.

Pahssen said an audit done in conjunction with the store's soft opening in February found that its prices were below those of chain competition by as much as 15 percent.

84 Lumber eyes contractor sales

(Continued from page 1)
training the new CSRs, all of whom come from 84's pool of manager trainees. The area managers conduct seminars at company headquarters on how to prepare takeoffs from blueprints, on understanding local building codes and on internal policies and procedures.

When the trainees finish their internship, they are given the option to become a store co-manager or a CSR.

The full complement of CSRs should total around 300 by June 1. CSRs will be placed in almost all 84 Lumber stores, and will focus on selling starter-home building materials packages to local construction companies.

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Circle (023) on Reader Service Card

HomeClub kicks off radio and TV ad campaign

(Continued from page 4)
on television in most of the chain's major markets, use stick figures to deliver the message that shopping at HomeClub is simple.

In 30-second spots, the stick figures show how easy it is to find help at HomeClub, how inexpensive prices are, and how they can use the installation guidebooks to complete their own projects.

This week, the company began using the same "It's that simple" theme to "scream the name change" in all markets except Seattle, said Ronald Gilmore, vp-advertising and marketing. The HomeBase commercials began running in Seattle last month, when the chain opened warehouses in Silverdale and Bellingham, he said.

The spots will be focused around the name change and then slowly evolve into "HomeBase—it's that simple."

Upcoming commercials will include ads supported by vendor dollars and grand opening announcements, Gilmore said.

In conjunction with the chainwide name change, HomeClub will also hold a scratch-and-win sweepstakes contest. Contest cards will be given to customers when they make a purchase, and they will win money off future purchases.

By filling out the tear-away portion of the scratch card, however, customers will be eligible for several prizes, including a $10,000 shopping spree, said Gilmore.

Standard Brands gets financing

(Continued from page 3)
ment firm that proposed to pour a potential $12 million into the beleaguered company. When that deal fell through, the chain decided to retain Bellini on an interim basis, said Walker.

A five-member operating committee—consisting of three outside directors, ceo Stuart Buchalter and former president Marvin Wager—will take over Bellini's position while the board of directors seeks a new executive. The outside directors on the committee are: 20-year board member Richard Loeffler; D. Patrick Curran, president of Cook Paint Co.; and Gerald Lushing, president and ceo of GML Financial, a Southern California real estate developer.

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National Home Center News (ISSN 0192-6772) is published 23 times a year, twice a month, monthly in December, by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Subscription rate: $89 per year in the U.S.; $99 in Canada; $239 in all other countries (air mail only). Second-class postage paid at New York, N.Y., and additional mailing offices. Postmaster: Please send address changes to Subscription Dept., National Home Center News, P.O. Box 31185, Tampa, Fla. 33631-3185. Vol. 18, No. 7, Copyright© 1992 by Lebhar-Friedman Inc. All rights reserved.

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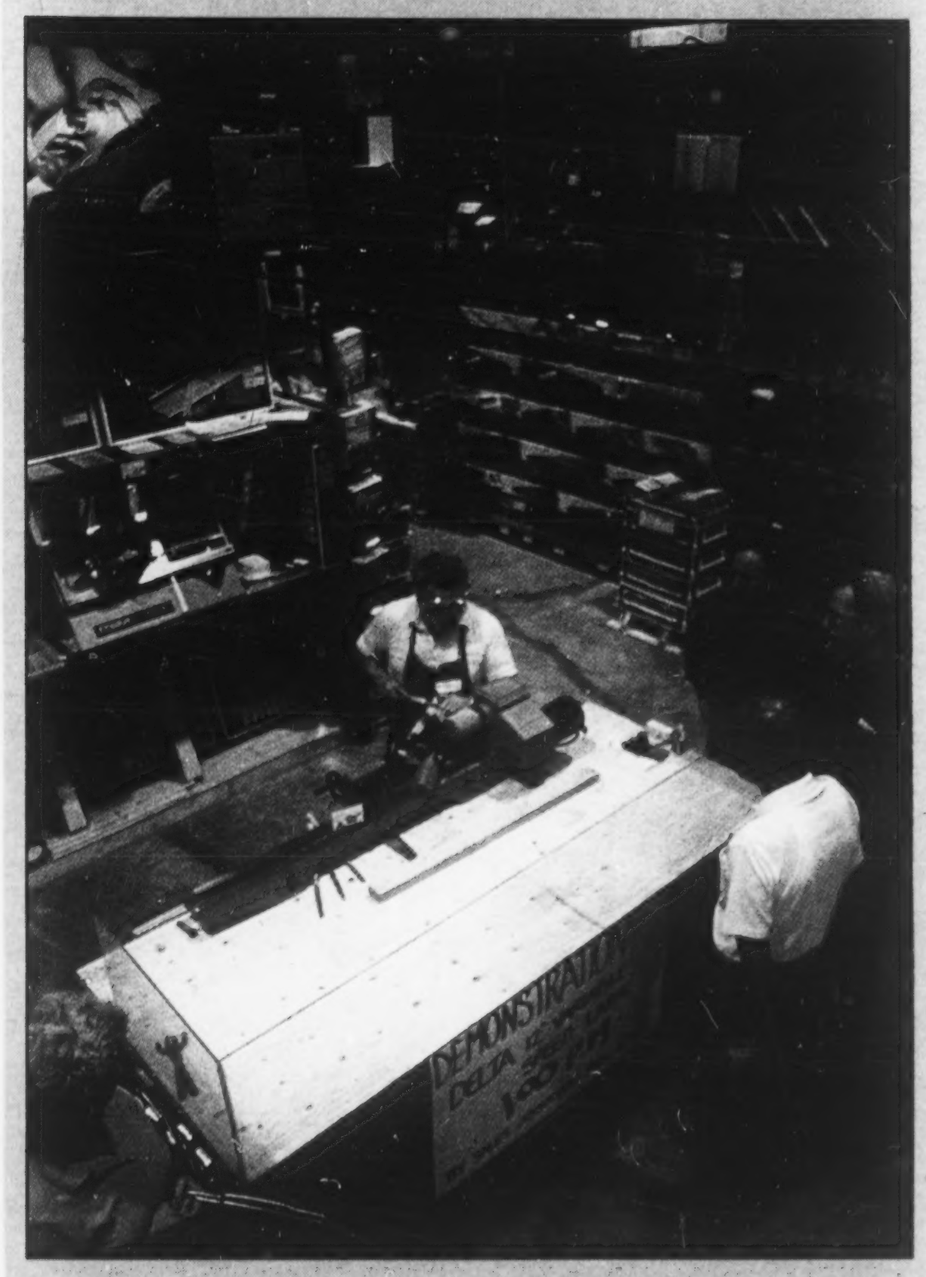
Vol.18, No. 8 $5 a copy The Journal of News & Trends for Home Improvement Retailers, Co-ops & Wholesalers. Published by Lebhar-Friedman Inc. Apr. 20, 1992

Aikenhead's opens Canada's first warehouse home center



Consumers watch a product demonstration in Aikenhead's self-contained hardware and tool department. NHCN photo

by John Caulfield

SCARBOROUGH, Ontario — Taking a page out of American retailing and rewriting it to local tastes, Aikenhead's opened its first Home Improvement Warehouse, Canada's first full-blown warehouse home center, in this suburb of Toronto on April 3.

The 138,000-square-foot unit, with a 6,800-square-foot glass-enclosed "greenhouse" and turquoise-color signage and racking, borrows liberally from many of its U.S. counterparts, in terms of product assortment and display.

But Aikenhead's, which will open two more stores this year and plans to have 10 up by 1995, has added its own twist to the warehouse concept, from innovative endcap signage that shows customers how a job is done, to the virtual elimination of peghooks.

According to its president, former Home Depot executive Steve Bebis, the company has

(Continued on page 48)

The Canadian market braces for new competition. See pages 45-52.

Fire code fire storm

Chains, paint makers oppose flammables limit

by Robyn Taylor

LOS ANGELES — An industry committee ran a series of fire tests last month to challenge the validity of a uniform fire code that could prohibit retailers and manufacturers from carrying more than 3,000 gallons of flammable liquids in their facilities.

The coalition of retailers and manufacturers—which includes representatives from Home Depot, HomeBase and Builders Square, as well as paint makers Sherwin-Williams, Smiland, Henry and Behr—conducted the tests to support its contention that 30,000 gallons could be safely stocked in stores and manufacturing plants.

The original flammable liquids code, passed in May 1991 by the Western Fire Chiefs, could cripple the industry, said William Tomes, a fire safety consultant who started the steering committee, now chaired by Bill Hamlin from Home Depot.

"This is an industry issue," said Hamlin, adding that the industry needs to band together "proactively" to bring about change and avoid expensive storage alternatives.

Hamlin said the future ramifications of the restrictive code could limit a retailer or manu-

(Continued on page 58)

Shake-up at Builders Square

Execs from Sears, Emery Waterhouse fill key posts

by Elizabeth Brent

SAN ANTONIO — The recent appointments of Emery (Bud) White and Frederick (Rick) Meiser to merchandising and marketing positions at Builders Square signal the arrival of a new order and a redivision of responsibilities at the 150-unit chain.

These two men will share the duties of Leo Corwin, who retired on Feb. 1 as Builders Square's senior vp-merchandising and advertising. They will also shoulder some of the responsibilities previously carried out by Jim Schaffer, who resigned as the chain's chief operating officer last month and whose position will not be filled.

Also departing last month was vp-marketing Mark James, who left to take up a senior vp-marketing post at Best

(Continued on page 60)

Photo courtesy of Builders Square

Rick Meiser

HWI dealer-members 'Do-it' in L&G

30-plus sign up

by John Sinisi

NATIONAL REPORT — Two-unit Kibbler Lumber Do-it Center has been selling lawn and garden products in Cincinnati for the past five years. But this year, with a little help from Hardware Wholesalers Inc. (HWI), Kibbler is turning up the heat in that department.

Kibbler, along with another 30-or-so HWI dealer-members,

(Continued on page 58)

NHCN photo

The L&G area at the Kibbler Do-it Center in Cincinnati.

SECOND CLASS

Rickel reopens its flagship store p.3
K&B Show lures more home center execs p.7
Somerville's contractor night draws 7,800 p.15

INDUSTRY STATS

Home centers, vendors strong partners

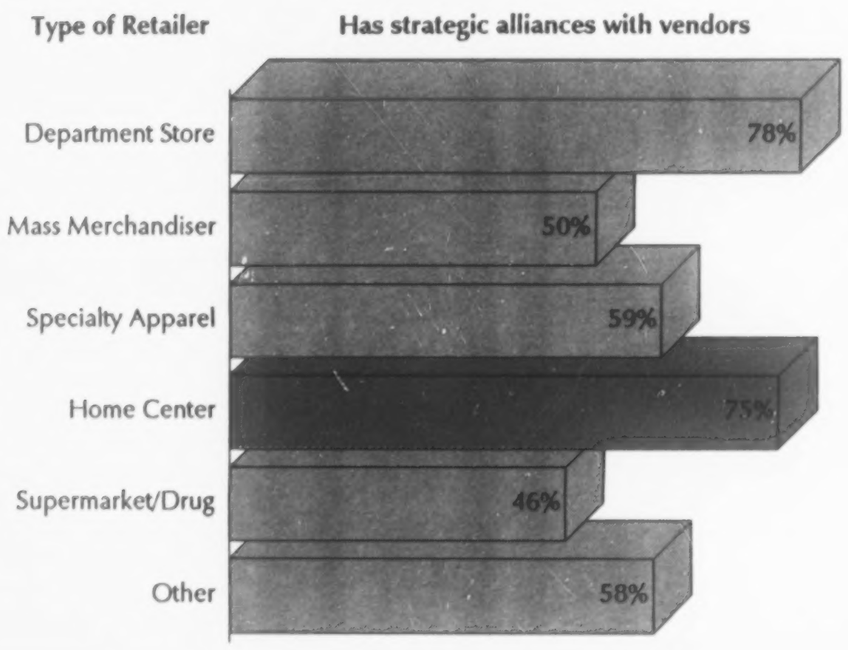
Leading-Edge Technologies Currently Being Used

Type of Retailer

	Total	Dept. Store	Mass Merch.	Specialty Apparel	Home Center	Super-market/ Drug	Other
Bar coding	66%	87%	61%	59%	63%	54%	68%
EDI (electronic data interchange)	61%	78%	61%	55%	38%	63%	63%
Scanning	58%	87%	39%	64%	38%	54%	58%
RF (radio frequency)	26%	35%	11%	5%	38%	46%	21%

Source: *Chain Store Age Executive* — *NHCN* chart

Has Your Company Established Any Strategic Alliances With Vendors?



Source: *Chain Store Age Executive* — *NHCN chart*

Home centers outdistance *most other retailer segments in forging closer ties with their supplier partners, according to a survey, published this month, of 122 retail companies conducted for* Chain Store Age Executive *by Garr Consulting Group, part of Deloitte & Touche's research arm.*

However, while that alliance is likely to include sharing sales and expansion plans, home centers still lag other dealers in the electronic exchange of that information. As the chart shows, home centers' use of leading-edge technologies is below the average, and considerably behind the implementation of those technologies—such as bar coding and EDI—by department stores.

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Beaver Lumber INSTALLED HOME RENOVATIONS
SATISFACTION GUARANTEED

NEWS BRIEFS

Two industry chiefs pay Walton homage

BENTONVILLE, Ark. — Two of the home center industry's leading executives expressed unqualified adulation for Wal-Mart founder Sam Walton, who died on April 5 at the age of 74 after a long battle with cancer.

"You hear a lot about 'merchant princes,' these days, but when I think of Sam Walton I think of a 'merchant king,' " said Robert Strickland, chairman of Lowe's Cos., whose stores in the Southeast often compete against Wal-Mart units. "He was the best of them all."

Strickland quoted columnist George Will to suggest that Walton's legacy would be that of a man who capitalized "on the growing frugality of the masses," when others were accumulating debt. But there was nothing meager about Wal-Mart, which grew from a single unit Walton opened with a $25,000 family loan in 1962 into a 1,735-unit, $44 billion retail chain that is the nation's largest.

While amassing a family fortune of $23 billion, Walton maintained an image for simplicity that extended to his headquarters, which is decidedly downscale, and his personal demeanor.

Bernie Marcus, chairman of Home Depot, recalled spending a day with Walton several years ago and concluding that, "if I had talked to the guy 25 years earlier, he probably still would have been the same. He understood who he was and wasn't impressed with himself, unlike a lot of ceos.

Photo courtesy of *Discount Store News*

Sam Walton

"There are certain people who reach a pinnacle in retailing, and Sam's one of them Marcus continued."He brought retailing to a new dimension."

Payless sales up 6.8% on eve of stock float

KANSAS CITY, Mo. — Citing warmer weather during the winter and increased sales to its targeted customer, Payless Cashways posted a 6.8 percent increase in sales for the first fiscal quarter, ended Feb. 29. The figures were released in late March.

The national, 195-store chain, which intends to become a public company this month with a new stock offering, reported sales of $470.6 million and an 8.3 percent increase in cash flow to $26.1 million during the first quarter. The gross margin for the period was 32.5 percent, up from 32.2 percent for the same period in 1991.

Payless reported an increase in its overall net loss to $29.7 million, up from $25.7 million for the same quarter last year. The loss comes from debt service on its 1988 leveraged buyout and from a $6.9 million charge for mandated accounting changes relating to post-retirement benefits other than pensions.

HomeBase gets festive for name change

FULLERTON, Calif. — HomeBase celebrated its name change last week with a weekend of festivities and a shopping spree sweepstakes.

During the two-day event, on April 11 and 12, clowns entertained children with free balloons and the first 100 customers on each day received complimentary gifts.

The chain held free how-to workshops on both days, featuring informative demonstrations and hints from HomeBase-certified experts.

During the weekend, HomeBase kicked off its "Improve Your Home Sweepstakes." Grand prizes, which will be awarded through next month, include one $10,000 and two $5,000 shopping sprees. Other prizes include three sets of Diamond kitchen cabinets worth $4,000.

In other news, HomeBase will open five stores in Chicagoland on April 25.

The stores—in Carol Stream, Calumet City, Niles, Orland Park and Rolling Meadows, Ill.—will range from 104,810 square feet in Niles to 160,986 square feet in Calumet City. They are all adjoined by 10,000- to 17,000-square-foot exterior nurseries.

COMMUNITY SERVICE

Hechinger aids elderly housing in Baltimore

BALTIMORE — A state organization for the elderly, a local home builders association and Hechinger have teamed up to help senior citizens repair their homes.

The new group, called Senior Housepitality, began its work in early March, repairing and renovating the homes of 55 senior citizens throughout this metropolitan area. Repairs are focusing on safety and security measures, energy conservation, and interior and exterior maintenance.

Hechinger, based in Landover, Md., has donated slightly over $100,000 worth of the needed lumber and building materials. Members of the Home Builders Association of Maryland are supplying the labor, and the Maryland Office on Aging is helping to select program beneficiaries.

Home Depot gets behind housing group

ATLANTA — Home Depot recently made a two-year, $200,000 contribution to Christmas in April*USA, a national, non-profit organization that mobilizes volunteers to repair and rehabilitate homes nationwide.

The nation's largest home improvement retailer has also become Christmas in April*USA's 1992 national corporate sponsor.

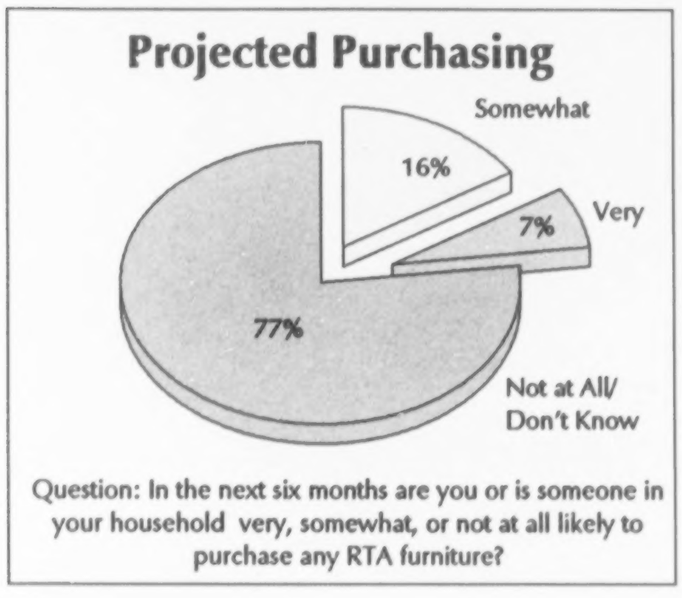
Christmas in April*USA, which provides better housing for old, disabled and low-income people, has repaired more than 8,000 homes with the help of 144,000 volunteers since 1988. The majority of houses are fixed up in an annual blitz on the last Saturday in April.

Suzanne Apple, Home Depot's director of community affairs, said the chain focuses its charitable contributions program on affordable housing and at-risk youth.

Circle (009) on Reader Service Card

Variety, promotion sell RTA furniture

Committed dealers vie with discounters in price-driven category



by Robyn Taylor

NATIONAL REPORT — Consumers planning to purchase ready-to-assemble furniture will shop primarily in discount stores, according to a national survey. But this isn't stopping some home center companies from making a statement with their selection and variety of RTA furniture.

With stiff competition from discount chains and mass merchandisers, several home centers, such as Builders Square, Pay 'N Pak and Home Depot, have scaled down the category significantly or eliminated RTA furniture from their mix.

Other home centers, however, are making a concerted effort to remain in the RTA business. They say that, to compete successfully with discounters, it is necessary to devote a significant amount of space to furniture and to promote the category constantly.

Where customers shop

According to a study conducted for *NHCN* by Fairfield Research Inc., Lincoln, Neb., 47 percent of a projectable sample of 500 consumer households interviewed by telephone in February said they plan to purchase RTA furniture at a discount store.

Another 25 percent planned to shop at a department store (Sears, Montgomery Ward, etc.) and 14 percent planned to buy the merchandise at a lumberyard or home center.

Approximately 16 million American households will purchase some type of RTA furniture in the next few months, according to the Fairfield data. The most popular products are bookcases, entertainment centers and desks.

To capture some of that business, Ernst Home & Nursery, for example, offers 50 stock-keeping units of RTA furniture in its furniture department.

Lee King, divisional merchandise manager, said that Ernst's main competitors in the Northwest are not other home centers, but rather chains like Target and Fred Meyer.

"Warehouse [home centers] are getting out of the business, and they don't make a statement [with RTA]," King said.

Ernst, on the other hand, offers several different styles of products and allots display space to the category. The 73-unit chain advertises furniture every month, King said, adding that consumers know that Ernst carries the same desks and bookshelves they can find elsewhere.

Whippany, N.J.-based Channel Home Centers and northern California's Yardbirds chain also offer a large RTA furniture assortment.

(Continued on page 36)

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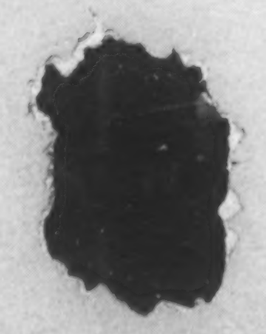
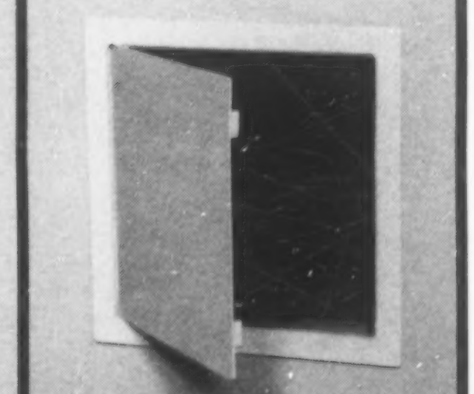
PROBLEM...





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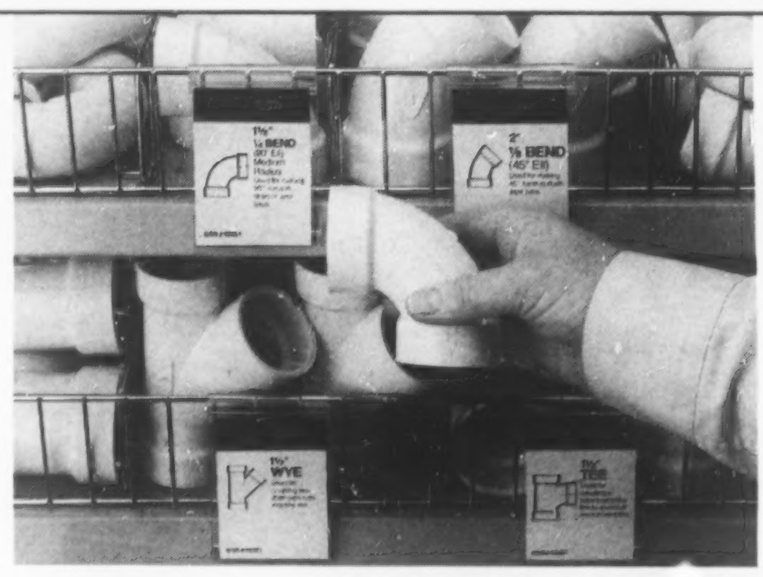

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